GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

AHDD&F Dept. – APDDCF Ltd. - Extending a loan of Rs.35.00 Crore through Andhra Pradesh Dairy Development Cooperative Federation (APDDCF) for helping the dairy farmers and revival of the Prakasam Milk Producers Company Limited (PMPCL), Ongole – Orders – Issued.

ANIMAL HUSBANDRY DAIRY DEVELOPMENT & FISHERIES (Dy. & Vig.) DEPARTMENT

G.O.MS.No. 26 **Dated: 27-06-2018.**

Read the following:-

1. From the Dist. Collector, Prakasam, Lr. Rc. No.A/298/2018, Dated 06-05-2018.
2. From the Managing Director, APDDCF., Lr. No.92/MC/2018, Dt.05-05-2018.
3. From the Managing Director, PMPCL, Prakasam district, Ongole, Report, Dt.15.06.2018.
4. From the Dist. Collector, Ongole, Lr. Rc. No.H4/1295/2018, Dt.15.06.2018.

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ORDER:-

In the reference 4th read above, the District Collector & District Magistrate, Prakasam referring the letter of Managing Director, Prakasam Milk Producer Company Ltd., containing minutes of extraordinary board meeting of the Company held on 15-06-2018, brought to the notice of Government that the present financial position of the Prakasam Milk Producers Company Limited (PMPCL) is very bad. The livelihoods of several small and marginal farmers in the district have been adversely affected due to non-payment of the dues by the Company. Therefore, the District Collector & District Magistrate, Prakasam has requested the Government to render immediate financial assistance as per appropriate terms and conditions for the speedy revival of the dairy and for the immediate disbursement of the long pending dues to the small/ marginal farmers in the district.

2) The Managing Director, Prakasam Milk Producers Company Limited (PMPCL), Ongole, vide reference 3rd read above, has informed that the Company is not able to conduct the business due to non procurement of milk, non generation of internal resources, adverse seasonal conditions, mismanagement, etc. In the present scenario, the dairy farmers who have supplied milk to the company did not get the milk price and employees working for the company did not get their salaries and wages. They are suffering a lot, besides Company is incurring huge losses. In fact Company has become inoperative, since November 2016. Therefore the Prakasam Milk Producers Company Limited Board has resolved for revival of dairy activities on viable lines smoothly, for which the re-constitution of the Board has been undertaken. In the process, Eleven (11) existing Directors have resigned and their

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resignations have been accepted in the Board meeting dated 15-06-2018. Seven(7) new Directors have been co-opted to the Board with effect from 15-06-2018. The Board resolved *inter alia* to seek help from the State Government, particularly to protect the interests of the dairy farmers and employees of the Company and to bring the company back into running condition and requested the Government to give urgently an amount of Rs.35.00 Crore, as a loan.

3) After careful examination of the matter in detail, in the interests of the dairy farmers of the Prakasam District, taking into account the recommendations of the District Collector, Prakasam and Managing Director, A.P. Dairy Development Coop. Federation Ltd., Government have decided to sanction a loan of Rs.35.00 Crore, through Andhra Pradesh Dairy Development Cooperative Federation (APDDCF) to the Prakasam Milk Producers Company Limited (PMPCL), Ongole, for the speedy revival of the dairy and for the immediate relief to the small / marginal farmers in the district, on the following terms and conditions:-

(a) The loan amount shall be released to the Prakasam Milk Producers Company only when proper Utilization of the loan amount and its timely repayment is assured.

(b) The loan amount shall be in the form of a secured loan by creating a charge on the clear assets of the Company.

(c) The loan amount must be utilized only for the purpose for which it has been sanctioned.

(d) The interest rate shall be REPO rate plus 2% which is currently 8.25%. APDDCF shall recover the interest amount from PMPCL and deposit to Government in quarterly instalments.

(e) The APDDCF shall recover the entire loan amount from PMPCL and deposit to the Government in (40) quarterly instalments.

(f) The recoveries of interest and loan amounts from PMPCL will start after (24) months moratorium period from the date of disbursement of the loan to the PMPCL.

4) Accordingly, Government hereby sanction an amount of Rs.35.00 Crores, as a loan through Andhra Pradesh Dairy Development Cooperative Federation (APDDCF) to the Prakasam Milk Producers Company Limited (PMPCL), Ongole, on the said above terms and conditions.

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5) The Managing Director, Andhra Pradesh Dairy Development Cooperative Federation shall take necessary action accordingly.

6) This order issues with the concurrence of the Finance Department vide their U.O. No.22024/3/201/AS.II/FINANCE (e.office No.515356), Dt.27-06-2018.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

GOPAL KRISHNA DWIVEDI
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Managing Director,
Andhra Pradesh Dairy Development Cooperative Federation Ltd. (APDDCF),
Lalapet, Hyderabad.

Copy to:
The Accountant General, A.P., Hyderabad.
The District Collector & District Magistrate, Ongole, Prakasam district.
The Managing Director, Prakasam Milk Producers Company Limited (PMPCL), Ongole.
The Finance (FMU-AC-AHDD&F, CS) Dept.
P.S. to Min.(AHDD&F).
P.S. to Chief Secretary to Govt.
P.S. to Prl. Secy. (AHDD&F).
P.S. to Addl. Secy. to C.M.
The Genl. Admn.(Cabinet) Dept.
SF/SC.

// FORWARDED :: BY ORDER //

SECTION OFFICER